

The SCANDAL of CONSUMERS UNION

by
EX-CAMERA, INC.
126 East 44th St.
New York City 17.

1st Edition.....1700 copies.
2nd Edition.....4200 copies.

Contents:

C.U. Recommends Gyps- - -	-1
Is It Wise to Shop by Mail with two examples who learned the expensive way	-4
CU Zooms Some Zoomatics -	-5
The Bolex Boycott- - -	7, 18
The Olympus Story- - - -	9
The Baby Rollei Story- -	-11
Why C. U. Goofs - - - -	20
Vance Packard Learns about Washers - - - -	22
Explaining CU Growth - -	24
How Does CU Get Away With It?- - - - -	25
The "Anti-Commercializa- tion Fund." - - - -	-26
Is CU a Hoax?- - - - -	-27
How Powerful is CU?- - -	-27
Why This Booklet Was Written- - - - -	-28
"I Took A Chance"- - - -	-30
CU and the UAW - - - -	32
Will CU Discuss These Subjects?- - - - -	-33
CU tests Whiskey- - - -	35
The Dictionary Expert- -	-36
Copyright, 1961 by Ex-Camera	

"Such are the facts. And now a request to subscribers: If you ever hear anyone say that a CU rating has been influenced in any way by some special interest, please ask him to write down what he says and sign his name to it; and then please send the document to us.

Consumers Union takes full responsibility for the integrity of its work. We think it is fair to ask anyone who impugns that integrity to assume responsibility for doing so-- and the consequences."

The above is a challenge from one of the Consumers Union Annual Buying Guides.

Ex-Camera accepts the challenge!

There are special interests served by Consumers Union...It suppresses facts essential to fair evaluations of the products it rates... It misguides and much of the material it prints as expert opinion appears to be based on sheer stupidity. It's whole hearted endorsement of commercial cheating and it's hypocrisy is so close to that which the hucksters use one must wonder why it enjoys the confidence and respect of so many who call themselves intellectuals.

I hereby affix my signature to this first page of a booklet of facts pertinent to CU's ways in photography - a line in which I have thirty years of experience. I now await the consequences - as I have been waiting for the last two and one half years.

Leon Hartman

Editor

November, 1960

EX-CAMERA, Newsletter supported by ethical photo retailers of the U.S.A. Published at 126 East 44th St., New York City.

"Some CU readers have ordered cameras by mail on the strength of a magazine or newspaper ad and have received wrong models, defective samples, or had to wait a long time for delivery, exchange, or refund. But you may prefer to take such a chance rather than pay a fictitious list price or accept a trivial discount."

The above is from page 424, August 1960 Consumer Reports.

If you accept that advice and do business with mail order discount houses CU has recommended by name (November 1958) here are some of the concerns you will have the "pleasure" of trading with.

W.	{	These three stores are big users of newspaper and magazine space in such publications as the N.Y. Times - World-Telegram - N. Y. Post - Popular Photography - Modern Photography.
P.		
K.		

One of these stores is presently, (Oct. 1960) the target of an investigation by the Federal Trade Commission for false advertising.

P and W use every trick known to the advertising fraternity for misleading and deceiving the public. P has had its Leica and Bolex franchises lifted twice for misrepresenting the values and kinds of lenses it has offered with Leica and Bolex cameras... It is famous for advertising ridiculously low priced camera bargains that never existed... Long lines of bargain hunters have waited outside its doors only to be told the advertised "bargains" which drew them were sold only moments before...for years it thrived on Russian sponsored cameras alleged to be list priced at \$299 but bargain priced at \$89, etc.

U is a discount mail order house now out of

business which was specifically recommended as a good place in which to buy cameras by Consumer Reports of November, 1958. When "U" failed it took with it cash deposits, merchandise and the hopes of quite a few CU followers.

W is a user of big advertising space in the magazines and newspapers. It is a frequent target of the N. Y. Better Business Bureau and had its license suspended for a month by a New York City licensing bureau for misleading advertising.

GCC and CIC qualify for Consumer Reports recommendation in that they use big advertising space and seem to sell everything at enormous discounts. However, they recently signed stipulations with the Federal Trade Commission

- 1) to stop advertising equipment it did not have or did not expect to deliver...
- 2) to stop withholding moneys from mail order customers when refunds were demanded...
- 3) to stop coercing mail order customers into accepting goods they did not want;
- 4) to stop misrepresenting the newness of the items it advertises... etc., etc.

* * *

Let's go back to the bit of CU advice at the top of page 1. In essence, the CU "experts" tell you to gamble on the honesty and integrity of a distant mail order gyp as opposed to giving a local camera store a chance to earn a fair profit.

You are asked to give up such advantages that come with trading with your neighbor as

- a) The camera you want is on hand *for you*

to handle, possibly try out and compare with other cameras.

- b) The legal advantage of being able to deal quickly and effectively if the local storekeeper attempts to deceive or misrepresent.
- c) The normal advantage that the local dealer is dependent on *your* good will if he is to survive in your community. Where the out of town mail discount gyp is provided with a fresh supply of suckers every day from his advertising in the magazines and newspapers, the local dealer cannot stray from ethical relations even if he wanted to.
- d) the local small storekeeper, especially the ones who do little or no advertising but rely principally on word of mouth recommendation are in a position to act as teachers – in many cases they are repair men and can keep you from making the mistake of buying the wrong camera.

To survive in today's markets, *the mail order discount house must cheat*. Profits on legitimate camera merchandise have dwindled to the point where the mail order "discounter" must deceive and misrepresent to stay in business.

Saddest part of the whole mail order discount business is that the *leading offenders are the biggest advertisers*. The respectability which brushes off on the mail order cheats by having their ads appear in such otherwise respectable papers as the N. Y. Times – Wall St. Journal – World-Telegram, etc. makes it possible for the gyps to keep on doing business day after day. Complaints to these newspapers accomplish little. It is only when the advertising cheat becomes involved with the Better Business Bureaus or

with policing authorities that they act. Even then the "action" consists only of a warning or censoring of a word or two.

People who complain to Consumer Reports about unfavorable experiences with mail order gyms used to be told to take their complaints to the Better Business Bureau or to the Post Office Department. The complaints must have assumed huge volume in 1960 for now CU doesn't bother to respond at all!

IS IT EVER WISE TO SHOP BY MAIL ?

The answer is "No" if the store is a heavy advertiser using allegedly big price reductions as a lure. This is in direct contradiction to the advice of the "experts" at Consumers Union who tell you they *know* some CU readers have been abused when they bought cameras by mail from "discount" houses. You are told by CU *you might be willing to take a chance rather than pay a local dealer full price or take less of a discount*.

Here are the experiences of two who took a "chance" for the sake of the discounts advertised by New York mail order houses. These cases are taken from a recent issue of the Journal of the Photographic Society of America.

Early in 1959 Miss "A", residing in Seattle, sent \$145 to one of the stores conducting a mail discount business of the kind recommended by Consumer Reports. They could not supply the camera they had advertised but asked Miss "A" if she would accept a different brand. She said "no", and asked for the return of her money. It required the efforts of two district attorneys, two Better Business Bureaus; some futile appeals to the magazines in which the discounter

advertised and finally the pressure of Post Office inspectors to get Miss "A's" money back after seven months!

In mid-1959 Mr. B sent \$135 and two lenses as payment for a new lens from one of the type stores whose methods are endorsed by Consumer Reports. In April, 1960 he was still writing, fighting and fuming to recover his property since the New York discounter was unable to supply the item it had advertised.

There is little doubt that CU's files contain many, many examples of CU readers being baited and hooked by "discount" houses of the category it has recommended in 1958, 1959 and 1960. If you are a CU subscriber, why not write to CU and ask them why they continue to recommend the discount gyps?

ACCEPTABLE

✓ "BELL & HOWELL ZOOMATIC DIRECTOR SERIES, Model 414 (Bell & Howell Co. Chicago). \$209.95 (\$239.95 in Canada). With B & H Varmat 9 to 27mm f/1.8 focusing lens. Most convenient and versatile camera tested. Only zoom-lens model tested with focusable lens; can be focused down to 6 feet on all lens positions. Like the Bell & Howell turret model, it had a longer useful run on a single winding than any other spring-powered camera tested. In CU's opinion, its only serious limitation for a camera of this type was lack of some form of parallax compensation for preventing inadvertent cropping in closeups. ADDITIONAL FEATURES: "Reserve power indicator," to show how much spring-wind is left before motor runs down completely. Slow-motion speed 48 fps, activated by pushing "run" button *all the way down*; exposure compensation is automatic.

As a firm believer in CU, it was natural for Jim L to consult the August 1960 issue of Consumer Reports when he decided to buy an

8mm movie camera to take on his honeymoon. "C.U. makes it so easy," he told his bride, "all one has to do is find the store where the Bell & Howell Zoomatic Director 414 could be had at the biggest discount". After shopping six discount houses he found one where the zoomatic was purchased for \$150.

"Thank God for C.U." said Jim to the girl who was to share his honeymoon, "imagine giving a storekeeper \$60 profit just for wrapping up a package."

Ireland was sunny, the people there were wonderful so you could not blame Jim for shooting all of 20 rolls of Kodachrome in two weeks. The Zoomatic got a real work out.

When he called for the processed movie film on his return to New York Jim got the shock of his life. Every bit of footage in the 20 rolls was a dark, dense blank! At the discount house where he bought the Zoomatic he was told the 10 day period had elapsed but he shouldn't worry - the Zoomatic was fully guaranteed and if he took the camera to one of Bell & Howell's many authorized service stations they would replace the defective "meter" without charge - plus, perhaps, a small charge for labor.

Jim's sad experience is typical of thousands who have bought "automatic" electric eye 8mm movie cameras on the strength of check ratings by CU. Bell & Howell's "automatic" electric eye cameras have had particularly bad performance records. The model 414 Zoomatic has as much as a six out of ten failure record according to ethical camera store owners who still sell it, and report to Ex-Camera!

If Jim had gone to an ethical camera store he would have learned that most U.S. made "automatic" electric eye cameras are far from being the foolproof machines Consumer Reports has pictured them to be. That, indeed, CU's incompetence in rating "electric eye" cameras amounted to sheer stupidity when it rated the automatics in May 1959. Two brands were misrated by CU's own admission two months later. CU's "errors" could have been avoided if it had bothered to read the instructions which came with the cameras!

More serious to Jim and all the other prospective buyers of "electric eye" movie cameras is the **boycott** by which CU has suppressed any discussion or ratings of Bolex Compumatics. While the "automatics" have proved to be malfunctioning and even complete failures Consumer Reports has studiously avoided making any reference to such semi-automatic cameras as the Bolex Compumatics which were introduced to the U.S. in November, 1958 and have proved to be about the simplest and most efficient movie making instruments to reach this land.

CU's boycott of Compumatics is now two years old. The boycott might be justified if (a) Compumatics cost too much, (b) were limited in distribution, (c) were too complicated, or (d) had poor performance records.

These, however, are the facts:

- a) Compumatics actually have cost their owners *less* than any of the check rated and heavily "discounted" automatics which CU has plugged four times. When one considers the rapid obsolescence of CU's favorites the cost contrast becomes fantastically favorable to Compumatics.

- b) More than 1500 U. S. stores sell the Compumatics.
- c) Where complete novices obtain perfect results the *first time* with Compumatics comparable quality of picture making cannot be obtained with the check rated "automatics" except by involved attention to special routines.
- d) "Ask the man who owns one" went the the Packard automobile slogan. The same slogan applied to Compumatics would reveal very few unhappy owners. Proof of this can be found in the fact that second hand Compumatics are hard to come by; also, that camera store owners with shelves full of "automatics" to choose from, invariably use Compumatics for *their* picture making, if they are fortunate enough to have Bolex franchises.

Turn to page 18 for more information on the Bolex boycott.

"I buy Consumer Reports because I trust them to tell me the facts I need to know before I buy. That is the slogan they print on every copy of their magazine. When they hold back information on what turns out to be the best brand of movie cameras I feel I have been cheated and deceived. If they have some deep seated prejudice against Bolex because Bolex cameras are fair traded, they should keep their prejudices from influencing their ratings. Letting me buy a second grade or third grade camera simply because the Compumatics are not being sold according to their desires is as much of a deception as any of the tricks they cite against the boys on Madison Avenue."....."There ought to be some way to hold them accountable for this kind of phony business."

- comment by a CU reader who bought one of the May, 1959 check rated "automatics"

THE OLYMPUS STORY



"Photography fans were well served throughout the year. A new version of the medium-priced 35mm *Olympus 35-S*, which CU had rated equal to cameras costing four times its price of \$69.95, was found even better than its predecessor. In its new version, the 35-S costs \$10 more—and is worth it."

The CU plug for Olympus cameras which appears above came from the December, 1958 Buying Guide. At about that time we at Ex-Camera's "lab" store experienced a plague of Olympus camera failures. Tiny screws fell out of spanking new cameras; film transports jammed; little signals supposed to tell you the shutter was cocked didn't signal, etc. etc.

Mark these dates well!

Up to November, 1958 Olympus cameras were excellent. The sudden downturn in Olympus quality appeared to coincide with the rave notices CU had given the brand earlier in the year. No doubt CU praise had skyrocketed Olympus sales.

By mid-January, 1959 we had had our fill of the Olympus. As we returned defective Olympuses to the importer we wrote notes on their defects, *sending carbon copies of such*

notes to Consumers' Union. By means of these notes we hoped CU would re-examine the brand and would thus be enabled to alert CU readers to what had happened with Olympus quality.

All during 1959 nothing happened even though the new models of Olympus which came out during that year seemed to us scarcely any better, if not worse, than those we stopped selling in late 1958.

Twelve months later CU's Buying Guide for Christmas, 1959 was still doing a solid job of plugging Olympus cameras. The importer of the line was so delighted with the Consumer Reports' raves that he sent out this

OLYMPUS AND SCOPUS

Present

THE FOUR TIME AWARD WINNING OLYMPUS CAMERA

(See Consumers' Report — November '59
Buying Guide, page 604)

Then came June, 1960!

A caption appeared under the picture of an Olympus camera in the June, 1960 Consumer Reports. It said:

"Within the past few years CU has check rated (a best buy) three Olympus 35mm cameras — two with F 2.8 lenses and one with an f 1.8 lens. Latest Olympus tested equipped with an f 2 lens varied from fair to good in optical performance indicating an apparent lowering of quality controls."

January, 1959 to June, 1960 — 18 months! That is how long it took for CU to admit the decline in Olympus quality. An enormous amount of Olympus cameras were sold during that period!

Any one reading this account of the Olympus story can make up his own list of questions to send to CU.

THE BABY ROLLEI STORY

CU's incompetence to test photo products and its power to destroy without reason is illustrated by what happened when Rolleiflex introduced its 4 x 4 cm. model and Consumer Reports had this to say about it in its July, 1958 issue:

"CU cannot recommend this camera—despite its undoubted virtues — because the shutter cocking mechanisms of both samples broke down in CU's durability tests, one after only a few hundred exposures. The counter of one sample also failed to work properly at first and required repair."

The immediate effect of CU's veto of the 4x4 Rollei was a sudden stoppage of orders for the camera. Although the camera had been in the U. S. market for nearly nine months, when the death sentence was pronounced and had been in very good demand, many photo dealers cancelled unfilled orders and accepting CU's verdict in good faith advised their customers against purchase of the 4x4 Rolleiflex. Many of the dealers who cancelled their orders admitted not having had adverse experience with the camera.

When the importer (Burleigh Brooks, Inc), re-

duced the list price from \$133 to \$99 the demand for the Baby Rollei did not improve. It just seemed to confirm CU's bad opinion.

Production stopped at the factory in West Germany and a very substantial quantity of the unsold Baby Rolleis was closed out to Montgomery-Ward, mail order and retailing chain, for what is said to be \$52 to \$55 per camera.

In December, 1959, sixteen months after CU had death rated the 4x4 Rolleiflex, Consumer Reports changed its opinion of the Baby Rollei, calling it a Best Buy (check rated) and pointed out that the camera was available only from Montgomery-Ward at \$68.50!

In explaining its change of opinion, CU said it had been informed by the distributor that changes had been made in the Baby Rollei in June, 1958 and after testing just one of the changed cameras none of the defects it had observed in its July, 1958 report appeared.

Here are the questions raised by the Baby Rollei story:

1. Why did it take 16 months to report on a change for the better in the camera which it is alleged was accomplished at about the time the death sentence was pronounced?
2. CU says its condemnation of the Baby Rollei arose as a result of its durability tests. Were these "durability" tests made without film? There is nothing in the July, 1958 reports to indicate film had been used

in the tests of the 4x4 Rolleis, nor have we been able to ascertain in any CU tests of twin lens reflexes that film is ever used in the so-called durability tests.

Operating a twin lens reflex such as an Automatic Rolleiflex **repeatedly** for hundreds or thousands of cycles **without** film and **without** special attention to lubricating internal moving parts can very well create the kind of defects which CU observed when it condemned the Baby Rollei.

3. The attitude of the importer, (Burleigh Brooks, Inc.) is strange. If an "improvement" was made in the camera which would have reversed CU's bad opinion so soon after June, 1958, why was nothing done in this direction until 16 months later? Consumers Union generally has done very well by Burleigh Brooks, Inc. (The July, 1958 issue in which the death sentence appeared devoted the whole cover to a huge and unmistakeable picture of a Rolleiflex while three out of seven of the check rated twin lens reflexes are Burleigh Brooks imports.) Executives and employees of the Burleigh Brooks organization clam up when questioned about CU and the Baby Rollei story.

The following material was prepared after our first edition was printed.

The Baby Rollei story came to our attention as we prepared to do a P. Q. survey on twin lens reflex cameras last November. An old friend came in and suggested there was a good story connected with the untimely demise of the 4x4 cm Rolleiflex. The parties in this case, (Burleigh Brooks, Inc., the importers; Ponder & Best, the subdistributors; Franke & Heideke, the manufacturers in West Germany) all seemed strangely reluctant to discuss the whole

affair. Phone calls and air letters, went unanswered. A deep mystery seemed to enshroud the whole case so far as the parties most closely connected with Rolleiflexes were concerned.

We sent out a hurry call to the members of Ex-Camera's Dealer Advisory Council, (DAC) 24 of the 48 members responded. Some DAC members gave up selling Rolleis when it was being used as discount house fodder, so could not give first hand reports. Those who had sold the Baby Rollei before and after CU's death rating in July, 1958, reported favorably on the camera's performance. Only **two** dealers out of **twenty-four** could be said to have had unsatisfactory experiences comparable to those which Consumer Reports "discovered" as a result of its tests. These two dealers, one in Los Angeles, and the other in Chicago did not indicate whether their troubles occurred before or after the CU death rating. A non-DAC dealer in Manhattan reported that soon after the death rating appeared in Consumer Reports some customers came in with their Baby Rolleis for "checking;" a few imagined they were having difficulty with the winding and counting mechanisms **after** the CU report was published.

Here are a few excerpts from DAC members' reports on their experiences with the 4x4 Rolleiflex before and after CU's death rating.

Pennsylvania. "Consumers Union should be exposed for the authority it pretends to be. Even the Bureau of Standards is careful to inform its readers that the results of their tests are representative of only the particular items tested and not necessarily the entire output of such items. I do not recall ever seeing a notice of this kind in any CU report. Little wonder an uninformed public is misguided when they take CU advice as gospel."

Los Angeles. "... No customer indicated to me his Baby Rollei was giving him shutter trouble. Good shutter quality has always been a strong point of all Rolleis. Their one and only weak point has been irresponsible distribution through non-service outlets."

Ohio. "Why are you pulling Callahan's chestnuts out of the fire for him? Burleigh Brooks, Inc., doesn't rate any favors in my book."

New York City. "If Burleigh Brooks, Inc., was publicly owned and I was a stockholder I would want to know why Jack Callahan let CU kill off a good camera without a fight. Many of us in the camera business know CU makes lots of mistakes and in this case Callahan should have insisted on a retraction or correction within a month or two after the July, 1958, report appeared—especially since it turns out, according to CU's December, 1959, report—that the alleged change in the shutter mechanism was made in June, 1958. The **least** Callahan could have done would have been to advise the dealers if changes had been made so that they would be prepared to set consumers' minds at ease and could challenge CU's unfair rating. Why did he wait until Montgomery Ward had the camera **exclusively** a year and a half later to let the world know about an improvement which was made, (according to CU) just about the time the bad rating appeared? Also, why was the improvement announced **exclusively** in Consumer Reports of December, 1959? Was it coincidence that Montgomery Ward became exclusive vendors of the Baby Rollei at just about that time?"

Indiana. "We stopped selling the Rollei line when we couldn't profit on them so cannot give first hand report on the Baby Rolleis. However, have heard no complaints about the 4x4s in shutter cocking or counter difficulties. The Rolleiflex representative continued calling on me even though I was not buying but I never heard a whisper about the Baby Rollei being improved."

Seattle. "We sold 8 or 10 Baby Rolleis during this period, (before CU's death rating). Only one came back for adjustments for what I do not remember. A good camera went down the drain."

Utah. "... I sold several. Customers have never had any trouble with them and to my knowledge two of them are still in use here and working like a million bucks. If any notice was ever put out by Burleigh Brooks or Ponder & Best about any changes in design of the mechanism ... they certainly did pass me by and I never did hear, (until your letter today) just what was what with this Rollei deal. Certainly did make me sick to see them in Wards catalog as a "dumped" item because I have always felt that the Rollei products are among the tops in quality and performance."

Wisconsin. "Only sold six, but all were very satisfactory."

San Francisco. "Had trouble with one camera. We had it repaired under the guarantee, and it hasn't been back since."

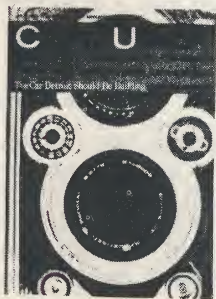
Brooklyn. "Never encountered problems with the shutter cocking and counting mechanism at any time. Were never notified by Burleigh Brooks of any changes in the design to overcome CU objections ... I certainly do think that the CU story needs a good airing."

Minnesota. "We sold only 4 or 5 of this model and had no trouble of any kind with any of them. One of our customers brought one back from Germany which had a defective shutter ... returned it to the Burleigh Brooks branch in Chicago and it was repaired and returned to us without charge."

New Hampshire. "One customer had counter trouble. She returned it to us. Despite repair the film did not wind tightly but the customer regards the camera so highly she takes film out in dark room to avoid light struck areas. Several others sold — no trouble."

A highly competent authority on Rolleiflexes has pointed out that over the 25 years that automatic Rolleiflexes have been in the U. S. market Kodak and other film makers have made **unannounced** changes in their film spools or have changed the thickness of paper backings; or have used new coatings on the paper backing surfaces—and such changes have sometimes affected the automatic features of the Rolleiflex cameras. Nevertheless as soon as the factory has observed the changes and their permanency has been established the Rolleiflex designers have always come up with a solution to the problem. That is why the automatic Rolleis have been the work horses of the photo industry serving professionals and amateurs with amazing efficiency. This authority goes on to say that from his observations, the Baby Rolleis had less than an average rate of defectives for a newly introduced Rolleiflex product. He cited the fact that the three models of Rolleiflexes which were check rated by CU in the July, 1958 issue had considerably higher rates of defectives when first introduced to the U. S. market.

From a third party comes this comment by an official of the Franke & Heideke organization . . . "Regarding the Rolleiflex 4x4, some modifications have been made on this camera, but certainly not on the strength of or as a result of the rating published by Consumer Reports . . . the changes effected were carried out in the course of production as a normal operational procedure."



At left is cover of the July, 1958 issue which contained the Baby Rollei death rating. Did this generous display keep the importer from protesting?

THE BOLEX BOYCOTT

At the time our first edition was being distributed, (Jan. 1961) Bolex Compumatics were still being boycotted. Then, suddenly, in its issue mailed in the last week of January CU did a 2-page story on Compumatics exclusively. What follows is our comment on the CU story which bore the headline:

"A Movie Camera For Serious Amateurs."

CU succeeds in giving the impression that the Compumatics are both complicated and costly. To prove its point it does not test and report on the lower priced models of Compumatics but deliberately selected the most complex and most expensive model. When it is considered that sales of Compumatics at \$79.50-\$89.50 and \$109.50 outnumber the sales of the model which CU selected for its comments approximately 10 to 1, the story becomes a fabric of misrating and deceit calculated to misdirect rather than to guide CU readers towards the best buy in 8mm movie cameras.

CU sidesteps any point by point comparison with the clinkers it has check rated twice during 1959 and 1960, nor does it provide a valid reason for its omission of any discussion of the Compumatics during the 26 month period they have been in worldwide distribution. It admits the Compumatic it tested was excellent on all features, but it cancels any favorable impressions it might create for the Compumatic line by constantly emphasizing the supposedly complex nature of the instrument.

CU mentions that Bolex is the only major producer of 8mm cameras which has not offered the public a so-called "automatic" machine,

but it does not go into the reasons for Bolex not joining the ranks of the American producers of "automatic" hoaxes. If it had had the conscience to do so, CU would have had to tell its readers that the "automatics" it plugged and check rated for more than two years were notoriously full of bugs; that some of the brands it favored with check ratings were incapable of making correctly exposed pictures even though their heavily **discounted** selling prices ran \$30 to \$60 higher than **fair trade priced** Bolexes which had been providing their owners with almost perfect results for the 26 months that CU sought keep its readers from learning about Compumatics.

Are not all CU readers who buy the Reports for information on 8mm cameras **SERIOUS**? Is an investment of \$100 to \$200 plus film costs a trivial thing with CU followers? Are CU readers pleased to learn here that CU's reports on "electric eye" 8 mm cameras was confined to the least reliable class of equipment in that category? That far from being the simplest and easiest to use the "automatics" actually require more concentration and greater skill to obtain **correctly** exposed movies?

The Bolex story which Consumer Reports printed in its February, 1961, issue contains one bitter pill for CU to swallow, as follows:

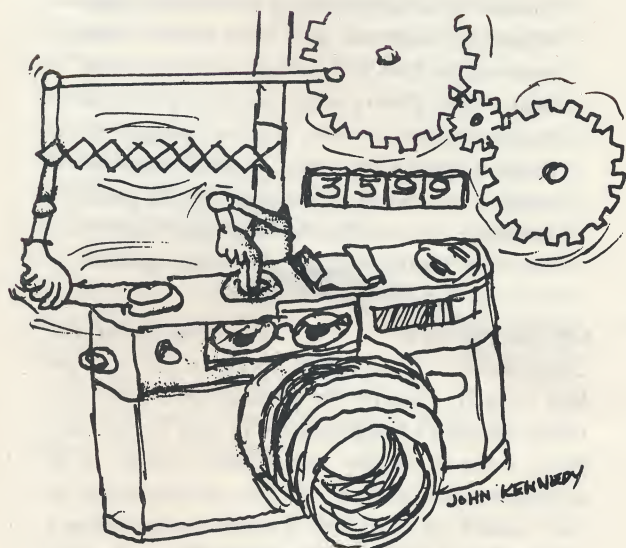
"... discounts on Bolex equipment are not likely to be widely available." If the word "widely" is deleted the sentence has greater truth for Bolex equipment has, since late 1956 been one of the most **rigidly enforced fair traded** brands. Ex-Camera and other advocates of fair trade have long contended that fair trade is the one best means by which the public can distinguish good from bad merchandise in the market place; that for the inexperienced consumer it provides the surest

means for distinguishing the honest manufacturer from the fast buck artist. With more than 150,000 Compumatics in constant use, giving near perfect performance to their owners it must be galling, indeed, for CU to have to admit that fair trade's outstanding example in the photo industry is actually the best and least expensive equipment to own and operate.

Oh yes, we forgot to mention in discussing the Compumatics, Consumer Reports did not, (as has been its custom for several years) recommend buying Compumatics in gyp stores; nor did it refer to its silly "durability" tests. A 26 month record of near perfect performance in the hands of 150,000 Compumatic owners would have made a "durability" test by CU superfluous.

Why Does CU Make So Many Goofs on Photo Items?

The misratings of "automatic" electric eye cameras; the boycott of the industry's best "electric eye" movie cameras, (Bolex Compumatics); and the Olympus hoax are just three of many challenges to CU's right to call themselves experts in photo equipment and to **charge** people for what it represents to be sound buying advice. We could relate CU's mistakes in exposure meters; in twin lens reflexes; in slide projectors, etc. We do not have the room or time to relate them here — if we ever did get into the subject fully, what a book it would be!



The test which Consumer Reports uses for mechanical efficiency consists of operating a camera 3600 times. Since these tests are conducted with no film they are valueless. Many of the cameras which passed this test for Consumer Reports were dismal failures when loaded with film!

We can suggest a few other reasons why CU fails so often and causes its readers unjustified losses.

To condemn or praise a whole line of cameras or other photo apparatus on the basis of *simulated* use tests of just *one* or *two* samples is scarcely scientific.

Being naive or ignoring the *characters* and *reputations* of camera makers and importers may account for many CU errors. For example, Graflex, Bell & Howell, and Weston stood for the best in their respective lines. When their ownerships and managements changed in the mid-fifties their products downgraded almost overnight. The changes in

managements were accompanied by what seems to have been deliberate intentions to cheapen the products of these brands once famous for their high quality.

Saving face seems to be standard policy at CU.

Plain stupidity, the kind which ignores printed instructions accounts for a good share of CU errors.

Fascination with bogus economic theories such as the glories of discount selling explains why CU would rather let its readers suffer with second and third rate quality cameras than tell them about the better value Fair Trade assures to a consumer.

Ambition to rule the economy of the United States with the help of Big Labor seems to influence CU ratings to a degree larger than CU readers can appreciate.

In 1936, when CU was formed, its director, Arthur Kallet, conceded there were abuses and racketeering in organized labor which could hurt consumers' interests, but he believed organized labor must be preserved at all costs.

In the nearly 25 years I have been a member and reader of Consumer Reports, I have never seen one word of criticism of featherbedding; union and management togetherness on price raising or quality lowering.

"THE FAMILY WASHER. This, as we have indicated, leads the list of the home appliances most likely to cause trouble soon after purchase. Monte Florman, chief of the appliance-

testing division at Consumers Union, said: "These are the biggest offenders in my experience and *also on the basis of the relatively larger volume of mail that Consumers Union receives from dissatisfied users.*" He said they should be planned for heavy use, but often are not. A substantial percentage of the new machines fail in some way during the months the Consumer Union test them. He feels there is no question that home washers could be made more durable, but that it might involve leaving off some of the gloss and gadgetry to maintain the present price level."

The above is from Vance Packard's new book, "The Waste Makers." (Italics by Ex-Camera)

However, in August, 1958, when CU reported on automatic washers it rated *all the brands acceptable and threw in this gem -*

"Make certain you buy your machine from a firm with a reputation for good service, even if it means getting less of a discount."

Now, please, turn back to the top of page 1 and try to reconcile the advice given there on how to buy cameras with the advice on how to buy washers. *Can CU deny it knows what discount selling does to quality?* Is it CU's ambition to have discount houses take over the camera retailing business as they have taken over appliance selling?

Shocking as it may seem to devout followers of CU it seems to me that CU would like to wipe out every ethical camera store now doing business, even if it meant the consumer would suffer in the process. To CU the independently owned and ethical camera stores are a constant irritant and block to CU ambitions.

Explaining CU's Growth.

In a full page advertisement for itself celebrating its 25th year and attainment of 950,000 circulation Consumer Reports says:

"The most important single factor in CU's growth . . . has been the loyal support of readers. They have subscribed and resubscribed. They have got others to do the same . . . Thanks to them CU has been able to hold its subscription rates unchanged for the past 14 years—despite a great increase in costs and prices generally, and even while expanding its services! This, we submit, is a remarkable achievement . . ."

The achievement would be even more remarkable if CU's growth was not so much helped by its status as a non-profit corporation. Where ordinary magazine publishers must turn over to state and federal tax collectors over 50% of their net income, **CU is permitted to stash away all it collects from subscribers!**

Still another aid to CU's growth—a very important one for any magazine publisher—is the extremely low rate it pays for shipping its output around the country. Where ordinary magazines pay 2½¢ per pound to mail their stuff, CU pays only 1½¢ per pound.

The irony of this is that **almost every wage earner or business organization** in the country is a contributor to CU's growth whether he likes the CU idea or not. This arises from the fact that 2nd class mail, (the class used by CU and other magazines) has never paid its way in all the years of CU's existence. The deficits created as a result of handling 2nd class mail at a loss has been made up, in part, by increasing the rates for 1st, 3rd and 4th class mail, (parcel post). The small business operators who have seen their mail costs tripled and quadrupled during the years of CU's great growth must not only defend themselves against CU's unfair attacks, but must also contribute to CU's expansion!

CU's financial operations appear to be a private affair known only to a few insiders. Through third parties Ex-Camera has learned CU bank balances exceed a total of \$4,000,000. The annual "take" and how it is dispersed has never been disclosed to the "members" (A "member" is a subscriber who votes for directors once a year). If a member asks one of the CU officers what the salaries are—how much is spent for what, etc., he is told, very politely, "it's none of your business."

**"How Does CU Get Away With It?"
"Why hasn't CU been exposed by a newspaper or magazine?"**

CU's ability to get away with "it" for so many years can be likened to TV's quiz scandals. Before 1960, show business characters smiled indulgently when you talked to them about such amazing minds as those possessed by the St. Louis freight clerk or the college professor whose "genius" was to later make him a CBS executive and a Consumers Reports consultant on Dictionaries, (December, 1958). Cynical members of the Fourth Estate said they knew the quiz shows were rigged but like so many other facets of show business it was good, clean fun. It sold merchandise. Besides, what magazine editor or publisher wanted to alienate the affections of such spenders as those who sponsored the phony memory wizards?

It is this "so what" attitude of the press, radio and TV which prevents the CU scandal from being publicized. Said one apologist for a radio station which bills itself as being completely free of commercial bias, (WBAI)—"Would you want to put CU out of business just because it makes a few mistakes?"

A very good friend, a writer and editor of a magazine of general circulation put it this way: "What magazine, newspaper, radio or TV station which depends on advertising for its very existence wants to tangle with CU when by doing so many of their most important customers would be dragged in?"

Aware as it is of this built in immunity from attack by the nation's advertising supported media Consumers Reports has become that oddity of U. S. journalism—an irresponsible force upon which such leftish papers as the N. Y. Post and such rightish publications as the Wall St. Journal can agree—namely, that CU is taboo as a subject for exposure.

Even the Federal Trade Commission deals timidly with CU. In August, 1960, Ex-Camera filed a complaint against Consumer Reports for falsely advertising the nature and accuracy of the service it sold. In less than two weeks the complaint was rejected!

The "Anti-Commercialization" Fund.

From time to time CU tells how it has stopped this or that manufacturer from making use of its Reports in advertising. Strangely, most of these cases are settled out of court—at least those which CU tells its readers about—by the payment of a sum of money into what CU calls its "Anti-Commercialization" fund. Are these sums large or small? CU never tells. Nor does it tell its readers when a manufacturer chooses to slug it out in court and wins. In April, 1960, the Hobart Mfg. Co., of Troy, Ohio, called CU's bluff by winning a decision in a Federal Court which said that the copyright laws were not intended to stop anyone from reporting a fact.

Is Consumers Union a Gigantic Hoax?

Condemning a whole line of cameras, hi-fi equipment or any other consumer product on the basis of tests of one, two or even three samples purchased in the open market—or the reverse, approving, praising and even plugging unworthy goods by the same kind of testing is unscientific, putting it mildly. The sin becomes worse if CU is told about its mistakes by competent authorities and then ignores such advices for months and years.

Madison Avenue with all its faults can learn much from CU. It has a fantastic skill in making itself believable. It uses the white coat to greater advantage than any TV actor while inspiring a loyalty in its followers that would put a Billy Sunday to shame.

How Powerful is Consumers Union?

Its power to make or break a brand is discussed in this booklet particularly in reference to photo items, but in many other industries it has made its power felt to a degree which cannot be matched by other medium of communication. Advertisements which are placed in ordinary magazines, newspapers, radio or TV are in competition with other advertisements as well as competing for the attention of the reader or listener who buys or tunes in the medium for its entertainment or news interest. Whatever attention a consumer gives to an advertisement in a publication or a commercial on the air is at best fleeting—very few people rush out to buy anything after exposure to a single commercial or ad. Thanks, also, to advertising's own shortcomings it is becoming less and less believable.

To the 950,000 who pay cash each month for their copies of Consumer Reports must be added the hundreds of thousands who refer to Consumer Reports at public libraries or who obtain CU dicta through friends and co-workers who are subscribers. These CU followers, believed to exceed 3,000,000 in any month, are a **special breed of consumers**. The minds of **these** consumers are in that precious condition available from no other media—they **are ready to buy** and Consumer Reports is their gospel! Fortune Magazine, (Sept. 1960) documented this enormous power which CU wields over the U. S. economy when it related how CU upped or downed such famous names as Volkswagen; Norge; RCA-Whirlpool and others.

Why This Booklet Was Written.

U.S. consumers need guidance *now* more than they ever did before. Mass advertising media, particularly TV, has driven the retailing specialist from the American scene, particularly in those lines where U.S. made wares are dominant.

If he did nothing else for his neighbors, the retailing specialist **earned** his profits because of his impatience with shoddy merchandise. His success in the community rose or fell in direct ratio to the lasting quality and efficiency of the brands in which he specialized. Manufacturers recognized this and vied with each other for the patronage of the "better" specialty dealers in each city or village.

In the middle 1950s manufacturers discovered they could thumb noses at specialty retailers. Selling via TV, backed up with saturation advertising of alleged "discounts" in newspapers lessened the influence of specialty shops.

Frigidaire and Hotpoint felt no qualms in 1955 when they announced publicly their appliances were being designed to fail or wear out in 3 or 4 years. From then on in the appliance industry it was a race to see who could make the mostest with worstest. Hotpoint won hands down as it achieved the distinction, in 1958, of earning more on repair services than on sales of original apparatus.

Where was Consumer Reports in 1958? Was all this a secret to the experts in Mt. Vernon? A CU executive admitted he was fully aware of what was happening (see page 23) but did CU take steps to expose appliance manufacturers — did it suggest, even mildly, that the miserable products of American appliance factories should be boycotted until they could be made better?

Obviously a boycott of washing machine manufacturers would hurt the United Auto Workers. CU's "out" was to ascribe appliance failures to alleged "complexities" and to urge CU readers to *buy the brand of appliance which had the best repair service facilities nearby!*

What happened to U.S. appliance quality could only happen because of discount selling. Consumers Union would like discount selling to take over in photo retailing, too. To the extent that U.S. photo manufacturers are aping the ways of the appliance factories, C.U. has achieved some measure of success. (Kodak, Bell & Howell, Weston, Graflex, etc.), the once great names of photography are now discount house favorites. The existence of a few thousand specialty camera stores in defiance of CU attempts to wipe them out is a tribute to the higher in-

tegrity of several West European and a few Japanese camera manufacturers. It is upon these imported photo products that specialty photo dealers survive.

"Give us something with which to fight back" pleaded the dealers who support Ex-Camera. "Put the truth about discounts, mail order advertisers, boycotts and simple honesty in a form we can use" they said.

That is the reason for this booklet.

"I TOOK A CHANCE"

In our first edition readers were invited to submit their misfortunes resulting from CU recommendations. Here's one we typed out as the victim dictated it.

"In November, 1958, Consumer Reports checked Topcon and Miranda as best buys in single lens reflexes. They also recommended Peerless Camera Stores as one of four New York dealers where consumers could trade at very big discounts."

"I had terrific confidence in CU at that time with all their college professors and abhorrence of greedy retailers who sold at list prices."

-0-

The Peerless salesman showed me a Topcon which he said was Fair Traded, therefore could not allow any discount. The Miranda, with a discount, came to \$230. I felt that was too rich for my pocketbook and told him so. The Topcon and the Miranda disappeared and with a smile reaching from ear to ear said: "Here's the Hexacon. It's made in Germany, its got a real Zeiss lens and because it is made for us alone you can have it for about 70% less than it should sell for. The price is only \$89 and I'll toss in the carry case which we should get \$10 for but won't in your deal."

I had my copy of Consumer Reports with me. It had no report on the Hexacon. Besides the 70% discount looked too good to be true. I told him so. For answer, he pointed to a blow up of a N. Y. Times ad where the Hexacon was marked \$299 list. Then he said: "Look around you. You are standing in the world's biggest camera store. Do you think we could have grown so large if we didn't give our customers the biggest bargains? Do you suppose Consumers Union would send you here if they did not trust us?" That clinched it. I bought the Hexacon.

After about 4 rolls of film and two months the shutter jammed. Peerless kept the camera about two weeks; returned it to me without charge. A month later it jammed again after two rolls. Again it was repaired without charge. On the third jamming I took it to the man who sold it to me and asked for the return of my money. He said that was impossible because the trial period had expired but I could have a brand new camera body.

This "brand new" camera not only jammed but scratched the film. Fed up, frustrated, and boiling mad, I demanded my money back again. No, said the salesman, the floor walker and a man who called himself "the manager." They would be glad to accept the Hexacon to apply against a higher priced camera—but refund the money at such a late date; that was not their policy.

I phoned CU when I got back to my office and asked to talk to the head man there. They put on a Mr. Strauss who said he was in charge of the camera testing project. He listened a while and then asked me if I was over 21. What did my age have to do with recommending a store like Peerless? I told him I had relied on CU opinion because I was no expert on cameras. If they had to bring up the subject of where to buy a camera, why did they pick out places where a novice could be abused as I had been by Peerless?

I told him I had since learned that all four of the places they recommended were like Peerless, and that Peerless and Willoughby, (one of the four) actually belonged to the same corporation. In the light of what had happened to me, I asked, didn't CU owe it to its readers to withdraw their recommendations? Mr. Strauss said he didn't think so because in mentioning the four stores they had been selected only for the discounts they offered. He said he felt sorry for me but his only advice would be to refer the matter to the Better Business Bureau. Then he hung up before I could say another word.

I phoned the Better Business Bureau and they said they felt Peerless had been reasonable in offering me credit towards a different camera. After all, said the BBB man, I had had the use of the camera for nearly 6 months! He, too, hung up before I could tell him that most of the six months the camera had been "in repair."

I tried to sell the Hexacon to other stores or to trade it in on a Miranda or Topcon. The best allowance I could get was \$30. Not in cash, but in trade. Finally, after hiking from one pawn shop to another I was able to pledge the Hexacon for \$18.

Wanna buy the pawn ticket for \$5?

CU AND THE UNITED AUTO WORKERS

In all its advertising about itself Consumer Reports insists that the rate for a year's subscription is \$5. That the only way to get a "discount" is to order in groups of five subscriptions at a time.

Truth, however, is that if you want the subscription as an individual just send your order to the headquarters of the United Auto Workers in Detroit. The discount there is 30% off list!

Will CU Ever Discuss
these Subjects?

THE EXPERTS. How are they selected? How many have degrees in engineering; experience in business? How many have left CU for higher pay jobs after writing a few reports?

THE NEWSPAPERS. Some dailies give more vital information than others. Which is a better buy for the consumer, the Wall St. Journal or the N. Y. Times - for example?

FEATHERBEDDING. Dues payers in unions are also consumers. In the long run, does the union stiff benefit from recurring strikes and wage hikes?

CIGARETTE SCOREBOARDS. Does CU make it possible for the cigarette industry to sell more and more cigarettes by suggesting that some brands are less harmful than others?

FINANCES. If CU is a non-profit corporation it should not oppose publication of annual statements of income and expenditures.

Have You Been Misguided
or Deceived by

CONSUMER REPORTS?

C U goofs regularly in many fields outside photography.

As a result of my first edition I have learned of too many instances where CU has recommended the worst rather than the best. Too many CU readers accept these as innocent errors when they should be exposed as glaring examples of prejudice, irresponsibility, or both.

If you have had an experience where Consumer Reports has caused you to buy the wrong item, won't you help other misguided souls, (and yourself, too), by sending the facts to me in writing?

As time, energy and the desire to make a living will allow I promise to expand - perhaps publish in a digest sized book the facts on C U that regular publishers and editors consider too hot to touch.

Leon Hartman

THE FACTS YOU NEED BEFORE YOU BUY.

Whiskey

(One of CU's outstanding contributions to the cause of protecting the U. S. consumer was its 1958 report on liquor from which the following is an excerpt.)

Because the tests were completely subjective, every possible precaution was taken to ensure impartial judgments. For example, each taster had his own table, distilled water for rinsing the mouth, cups, and a spittoon (the whiskeys were tasted, but not swallowed). No smoking or conversation was permitted, and the tables were placed so that the tasters could not see each others' facial expressions. Coded samples of each brand were measured into brandy snifters out of view of the tasters, and every brand was represented by at least two bottles bought in at least two different stores. Only a few were tasted each day.

Each taster sampled each brand at least twice on different days and, where disagreement showed up in the results, additional samples were tasted. An evaluation of the overall quality of each sample was made on a scale of Excellent, Very Good, Good, Fair, and Poor.

To see how the professional preferences of the experts would compare with those of amateur connoisseurs, CU invited several members of the Gourmet Society to participate in the tests of domestic and Canadian whiskies. As might be expected, this panel was far less consistent in its judgments than the experts. The amateurs, however, on the whole agreed fairly well with the expert judgments as to the overall quality of the whiskeys tested, though the order of their preference turned out somewhat different and there were occasional sharp disagreements on individual brands.

tense, manufacturers were forced to lower quality in order to hold an accustomed rate of profit.

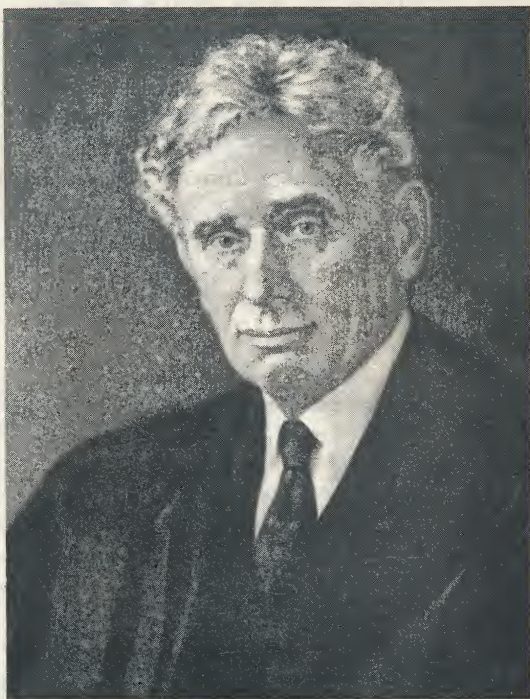
Nor was Justice Brandeis impressed with the image of price cutting retailers as public benefactors, (as Consumers Union is). He knew how often price cutting was the tool by which monopolists destroyed competition and that having eliminated such competition from an area the monopolist raised prices to suit his own desires.

Charles Van Doren was only about seven when his father, poet-professor Mark Van Doren, taught him to use a dictionary. He has been a dictionary buff ever since. Dictionaries, he says, helped him through college, graduate school, and a stay at Cambridge University in England. When he became an instructor of English at Columbia University, his dictionaries went along.

Knowledge of words played a part in his service as assistant editor (to Clifton Fadiman) of The American Treasury, a collection of American quotations, and his later winning of popular recognition as a quiz-show expert. Today he combines teaching with a television consultant's job, meanwhile working toward a Ph.D. in English.

"I was surprised and pleased to be asked by Consumers Union to write a piece on dictionaries," he says. "I knew my report would not be so impersonal as CU's usually are, but I looked forward to saying my say about a subject close to my heart."

CU would add only that Van Doren's report deals with the function of dictionaries rather than their comparative physical characteristics, and should be read accordingly.



Justice Louis Brandeis earned millions of dollars advising corporations and defending them against anti-trust actions *before* he was appointed to the Supreme Court in 1916. where he served until he retired in 1939. Because of this inside knowledge of American business ways few men of our century were better qualified to speak on the long range effects of discount selling and price cutting generally.

Justice Brandeis warned that the benefits of price cutting were only *temporary* and that consumers were the losers if price cutting was allowed to go unchecked. Drawing from his experience as a practicing lawyer, and as a Justice of the Supreme Court he noted that as price competition became more in-

(Continued top of page 36)